

AR17

NOVA SCOTIA SAVINGS & LOAN COMPANY



1976



127th Annual Report

Our Cover, we believe, will appeal to many and make this 1976 Report something of a collector's item. By special arrangement with the artist, it pictures the striking painting of Nova Scotia's famed *BLUENOSE* . . . the memorable old Saltbanker whose exploits and legend have long since brought her to a position in Canadiana, perhaps second only to that of the Maple Leaf.

The large original canvas (40" x 50", oils) painted by *G. P. Backman*, now part of Nova Scotia's Art Archives, hangs in the cabinet room at Province House. It was commissioned in 1974, by the government, as the Official Memorial Portrait of the great ship. The Work may be seen by visitors to Province House, by request, at any time the cabinet room is not occupied with government business.

Mr. Backman also serves Nova Scotia Savings & Loan Company as Advertising Consultant and Artist /Publicist.

FINANCIAL HIGHLIGHTS

	1976	1975	% INCREASE (DECREASE)
TOTAL ASSETS	\$315,742,351	\$287,155,812	10.0%
MORTGAGES	288,816,863	263,536,266	9.6%
DEBENTURES & ACCRUED INTEREST	246,246,961	219,222,013	12.3%
SAVINGS & DEPOSIT RECEIPTS	50,037,810	47,940,410	4.4%
REVENUE	31,958,419	28,932,899	10.5%
REVENUE PER COMMON SHARE	33.56	30.38	
EXPENSE	29,033,946	25,040,123	15.9%
EXPENSE PER COMMON SHARE	30.49	26.29	
OPERATING INCOME BEFORE SECURITIES GAINS (Losses)	1,659,473	2,097,776	(20.9%)
DIVIDENDS DECLARED ON COMMON SHARES	952,318	952,318	
DIVIDENDS PAID PER COMMON SHARE	1.00	1.00	
SHAREHOLDERS' EQUITY	15,039,014	14,646,588	2.7%
EARNINGS PER COMMON SHARE ^{1&2}	1.42	2.04	(30.4%)
NUMBER OF OUTSTANDING COMMON SHARES	952,318	952,318	

¹1975 Earnings per Common Share include net securities losses of \$3,677, while in 1976 net securities gains of \$366 were recorded.

²1975 and 1976 Earnings per Common Share are calculated on earnings after payment of dividends on preferred shares.

For the information of shareholders, the valuation day value of the Company's common stock for capital gains tax purposes as published by the Department of National Revenue, Taxation, is \$15.50.

DIRECTORS'

Report to Shareholders

The Directors are pleased to present the 127th Annual Report of the Company for the year ended December 31, 1976. Assets increased by 10% during the year to \$315,742,351 and the 1976 profit was the fifth highest in the Company's history. The cost of borrowed funds remained at peak levels throughout most of the year and it became increasingly difficult to maintain an adequate spread between these costs and the very competitive interest rates obtainable for mortgages. In the final quarter the cost of money declined appreciably and the Company experienced its best three months earnings for the year, a net of 51 cents per common share as compared to 48 cents for the equivalent period in the previous year.

Income and Dividends

Revenues for the entire year improved by 10.5% over 1975 and amounted to \$31,958,419. Expenses increased by 15.9% to \$29,033,946. Net profit after income taxes was \$1,659,839, a decrease of 20.7% from the previous year's profit of \$2,094,099. On an earnings per common share basis the 1976 profit was equal to \$1.42 per share, compared to \$2.04 per share in 1975.

The regular quarterly dividend of 51.25 cents per share was paid to the holders of the 10.25% Series A Preferred Shares, and a quarterly dividend of 25 cents per share was paid on common shares.

Mortgages

The sum of \$280,000 was added to the reserve for losses and after making this adjustment the mortgage portfolio at December 31, 1976, amounted to \$288,816,863. During the year the Company approved 2521 mortgage applications for \$97,826,666. These included 3258 housing units located in Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland, Saskatchewan and Alberta.

Debentures and Deposits

Strong support for our Debentures and Deposits throughout the year resulted in an increase of \$29,122,348, for a total at year end of \$297,949,689.

Real Estate Held for Sale and Mortgage Arrears

In 1976 the Company sold a number of foreclosed properties, resulting in losses of \$344,344 of which \$218,500 was recovered from insurance claims.

As at December 31, 1976, total arrears of thirty days or more were 0.461% of the total mortgage portfolio, a significant improvement when compared to 0.508% as at December 31, 1975, and 0.643% as at December 31, 1974.

Our Employees and Representatives

It is customary to mention in the Annual Report the loyal service of our employees and to thank them for their good work. The accelerated growth of the Company in recent years has created added responsibilities for our staff and they have performed exceedingly well. The following figures are an indication of the quality of that performance.

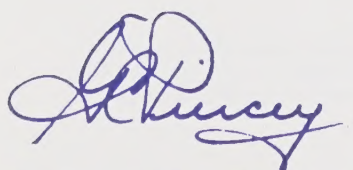
Year	Number of Employees	Total Assets	Dollar Value of Assets Per Employee
1972	89	\$152,416,000	\$1,712,539
1973	85	208,031,000	2,447,423
1974	91	255,682,000	2,809,692
1975	96	287,156,000	2,991,208
1976	110	315,742,000	2,870,382

The Company is represented by 46 agents, located in key areas of the six Provinces where our mortgage business is generated. Important changes in mortgage procedures were effected in 1976 and the benefits from these changes are already accruing to the Company. The Directors and management are deeply grateful to our agents for their cooperation and assistance in these matters.

Outlook for 1977

The sharp drop in interest rates that occurred in the closing weeks of 1976, followed by a further downward adjustment at the time of preparation of this Annual Report, offers a good chance for a turn-around in the Canadian economy in 1977. Economic experts, who previously saw little hope of business recovery this year, are taking another look. The federal government is conducting discussions in regard to the possible removal of controls later this year. These are positive signs for recovery.

In any event we are encouraged by the growth of our business in Alberta and Saskatchewan and we are giving consideration to entering the mortgage field in other areas. On balance we believe your Company will experience a good year in 1977.



President and Chief Executive Officer

Auditors' Report to the Shareholders

We have examined the balance sheet of Nova Scotia Savings & Loan Company as of December 31, 1976 and the statements of income, retained earnings, rest account and mortgage reserve for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company at December 31, 1976 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PEAT, MARWICK, MITCHELL & CO.

Chartered Accountants

Halifax, N.S.

January 14, 1977

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1976

1. Deferred income taxes:
These have arisen as a result of the deduction in computing income for tax purposes of amounts allowable in respect of mortgage reserves in excess of amounts provided for in the accounts. The recorded amount of \$1,617,500 relates to the period commencing in 1968 when the company adopted the tax allocation basis of accounting. No provision has been made for the amount of \$426,000 relating to 1967 and prior years.

2. Capital stock:

- (a) Authorized

500,000 cumulative redeemable preferred shares, issuable in series of the par value of \$20 each
2,500,000 common shares of the par value of \$2 each

- (b) Issued and fully paid

	1976	1975
150,000, 10.25% Series A, cumulative redeemable preferred shares	\$3,000,000	\$3,000,000
Less 400 shares redeemed	(8,000)	—
	2,992,000	3,000,000
952,318 common shares	1,904,636	1,904,636
	<u>\$4,896,636</u>	<u>\$4,904,636</u>

The Series A preferred shares may be redeemed on or after July 1, 1980 at \$21.40 plus accrued and unpaid dividends. The redemption price will decrease by 20¢ per share for each two year interval through to July 1, 1992 after which time the redemption price shall be \$20.20 per share.

The company is required, subject to certain terms and conditions, to annually retire 7,500 Series A preferred shares by purchase in the open market at a price not exceeding \$20 per share plus accrued and unpaid dividends.

3. Commitments:
Aggregate rentals payable during each of the next five years under long-term leases of premises and equipment amount to approximately \$290,000. Included in administration expense for the year ended December 31, 1976 is an aggregate amount of \$271,200 in respect of such rentals.
4. Pension obligation:
The unfunded past service liability with respect to the employees' pension plan based on an actuarial study dated March 19, 1975 was estimated to be approximately \$287,000 at December 31, 1974. Payments of \$24,800 are being made annually and charged to operations with the intention of fully funding the past service liability by December 31, 1991. Subject to specified conditions, the Directors retain the right to amend, modify or terminate the plan.

STATEMENT of INCOME

Year ended December 31, 1976 (with comparative figures for 1975)

	1976	1975
INCOME:		
Interest from mortgages and other loans	\$29,576,810	\$26,766,086
Investment income	2,024,168	2,001,603
Fees and commissions	131,807	113,894
Other operating revenue	225,634	51,316
	<u>31,958,419</u>	<u>28,932,899</u>
EXPENSES:		
Interest on deposits and borrowings	26,123,318	23,142,633
Administration	2,862,163	1,858,507
Depreciation and amortization	48,465	38,983
	<u>29,033,946</u>	<u>25,040,123</u>
Operating income before income taxes	2,924,473	3,892,776
Income taxes:		
Current	1,168,000	1,575,000
Deferred	97,000	220,000
	<u>1,265,000</u>	<u>1,795,000</u>
Operating income before securities gains (losses)	1,659,473	2,097,776
Securities gains (losses), less related income taxes	366	(3,677)
Net income for the year	<u>\$ 1,659,839</u>	<u>\$ 2,094,099</u>
Earnings per common share:		
Income before securities gains (losses)	\$ 1.42	\$ 2.04
Securities gains (losses)	—	—
Net income for the year	<u>\$ 1.42</u>	<u>\$ 2.04</u>

See accompanying notes to financial statements.

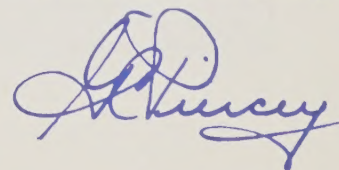
NOVA SCOTIA SAVINGS & LOAN BALANCE SHEET

December 31, 1976 (with comparative figures for 1975)

	1976	1975
ASSETS		
Cash and short-term deposits	\$ 37,757	\$ 99,830
Investments, at cost:		
Bonds and accrued interest	909,584	987,826
Chartered banks deposit certificates and accrued interest	17,500,501	17,016,467
Stocks	5,005,223	3,079,975
	<u>23,415,308</u>	<u>21,084,268</u>
Quoted market value:		
December 31, 1976 — \$23,360,000		
December 31, 1975 — \$21,110,000		
Loans:		
Mortgages, agreements of sale and accrued interest, less allowance for doubtful accounts	288,436,861	263,101,631
Consumer loans	380,002	434,635
	<u>288,816,863</u>	<u>263,536,266</u>
Other assets:		
Real estate held for sale at estimated realizable value	2,801,469	1,952,040
Real estate held for future development, at cost	248,765	248,765
Equipment and furnishings, at cost, less depreciation	100,073	85,333
Leasehold improvements, at cost, less amortization	140,469	84,393
Sundry	181,647	64,917
	<u>3,472,423</u>	<u>2,435,448</u>
Total assets	<u>\$315,742,351</u>	<u>\$287,155,812</u>

See accompanying notes to financial statements.

The undersigned officials of Nova Scotia Savings & Loan Association, that, to the best of their knowledge and belief, the s



President and Chief Executive Officer



	1976	1975
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits and borrowings:		
Bank indebtedness	\$ 407,860	\$ 213,000
Savings deposits	11,125,162	11,794,153
Deposit receipts and accrued interest	38,912,648	36,146,257
Debentures and accrued interest	246,246,961	219,222,013
Subordinated notes and accrued interest	1,664,918	1,664,918
	<u>298,357,549</u>	<u>269,040,341</u>
Other liabilities:		
Amounts held for insurance and tax payments on mortgaged properties	182,679	119,319
Income taxes payable	192,358	1,471,608
Dividends payable	314,751	314,956
Provision for pensions	38,500	42,500
	<u>728,288</u>	<u>1,948,383</u>
Deferred income taxes (note 1)	1,617,500	1,520,500
Shareholders' equity:		
Capital stock (note 2)	4,896,636	4,904,636
Retained earnings		
Appropriated		
Rest account	4,600,000	4,600,000
Reserve for mortgages	2,900,000	2,700,000
Unappropriated	2,642,378	2,441,952
	<u>15,039,014</u>	<u>14,646,588</u>
Total liabilities and shareholders' equity	<u>\$315,742,351</u>	<u>\$287,155,812</u>

Company hereby certify that they have examined the financial statements of the company and
ent is correct and shows truly and clearly the financial condition of the affairs of the company.

James J. Frank

Vice-President

R. Hammer

General Manager

STATEMENT of Retained Earnings

Year ended December 31, 1976 (with comparative figures for 1975)

	1976	1975
Retained earnings, beginning of year	\$2,441,952	\$1,906,140
Add:		
Net income for the year	1,659,839	2,094,099
	4,101,791	4,000,239
Deduct:		
Dividends — Common	952,318	952,318
— Preferred	307,095	152,065
Transferred to rest account	—	5,626
Transferred to mortgage reserve	200,000	300,000
Preferred share issue expenses	—	148,278
	1,459,413	1,558,287
Retained earnings, end of year	\$2,642,378	\$2,441,952

STATEMENT of Mortgage Reserve

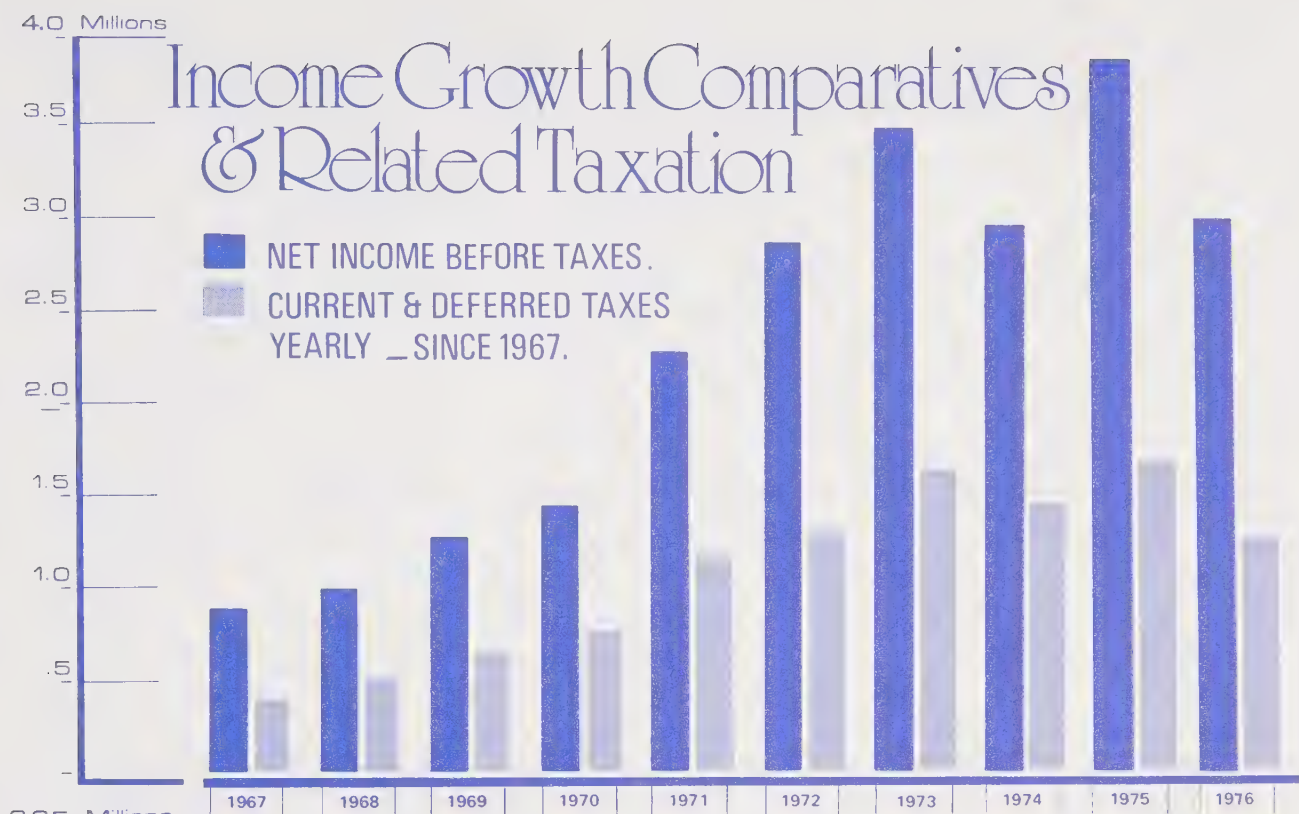
Year ended December 31, 1976 (with comparative figures for 1975)

	1976	1975
Balance, at beginning of year	\$2,700,000	\$2,400,000
Transfer from retained earnings	200,000	300,000
Balance, at end of year	\$2,900,000	\$2,700,000

STATEMENT of Rest Account

Year ended December 31, 1976 (with comparative figures for 1975)

	1976	1975
Balance, at beginning of year	\$4,600,000	\$2,700,000
Transfer from contributed surplus	—	1,894,374
Transfer from retained earnings	—	5,626
Balance, at end of year	\$4,600,000	\$4,600,000



Comparatives 1976 - 1967

(ALL AMOUNTS ARE EXPRESSED IN THOUSANDS EXCEPT AS INDICATED *)

REVENUE	1976	1975	1974	1973
Revenue	\$ 31,958	\$ 28,933	\$ 24,001	\$ 17,662
% of Increase	* 10.5%	20.5%	35.9%	40.8%
EXPENSE				
Cost of Borrowed Money	\$ 26,123	\$ 23,143	\$ 19,784	\$ 13,100
Administration Expense	2,862	1,859	1,403	1,167
Depreciation & Amortization	48	39	34	41
Administration Expense as % of Revenue	* 9.0%	6.4%	5.8%	6.6%
EARNINGS				
Net Profit Before Taxes	\$ 2,925	\$ 3,893	\$ 2,781	\$ 3,354
Securities Gains (Losses) Net	—	(4)	280	121
Income Taxes — Current	1,168	1,575	835	1,072
— Deferred	97	220	559	555
Net Profit Available for Distribution	1,660	2,094	1,667	1,848
Per Common Share	* 1.42 ^{2&4}	2.04 ^{2&4}	1.75 ²	2.00 ^{2&3}
Dividends Paid Per Common Share	* 1.00	1.00	1.00	.92
EQUITY				
Preferred	\$ 2,992	\$ 3,000	\$ —	\$ —
Common	12,047	11,647	10,914	10,198
Net Earnings after Taxes on Common Shareholders' Equity	* 13.8%	18.0%	15.3%	18.1%
ASSETS				
Mortgages	\$288,817	\$263,536	\$234,938	\$192,529
Investments (at cost)	23,415	21,084	14,968	12,593
Total Assets	315,742	287,156	255,682	208,031
% Total Asset Growth	* 10.0%	12.3%	22.9%	36.5%
SAVINGS & DEBENTURES				
Savings & Deposit Receipts	\$ 50,038	\$ 47,940	\$ 49,570	\$ 45,841
Debentures & Accrued Interest	246,247	219,222	192,678	148,226

¹ Earnings Per Common Share and Dividends Per Common Share are adjusted to a constant basis of 847,075. This includes 5 for 1 stock split during 1967.

² Earnings Per Common Share in 1973 includes net securities gains of \$121,350; in 1974 includes net securities gains of \$280,136; in 1975 includes net securities losses of \$3,677; in 1976 includes net securities gains of \$366.

³ Earnings Per Common Share in 1973 are based on the weighted average of 926,007 shares, being 847,075 for the first quarter and 952,318 for the remaining three quarters.

⁴ 1975 and 1976 Earnings Per Common Share are calculated on earnings after payment of dividends on preferred shares.

1972	1971	1970	1969	1968	1967
\$ 12,548 32.5%	\$ 9,468 32.0%	\$ 7,171 29.6%	\$ 5,532 29.6%	\$ 4,269 20.1%	\$ 3,555 16.6%
\$ 8,762 922 29 7.3%	\$ 6,557 604 24 6.4%	\$ 5,181 551 21 7.7%	\$ 3,786 470 19 8.5%	\$ 2,865 389 18 9.1%	\$ 2,362 340 16 9.6%
\$ 2,836 835 458 1,543 1.82 .78	\$ 2,283 932 178 1,173 1.38 .51	\$ 1,418 669 38 711 .84 .40	\$ 1,257 588 36 633 .75 .37	\$ 997 335 156 506 .60 .30	\$ 837 258 141 438 .52 ¹ .29 ¹
\$ — 7,109 21.7%	\$ — 6,224 18.8%	\$ — 5,481 13.0%	\$ — 5,107 12.4%	\$ — 4,785 10.6%	\$ — 4,672 9.4%
\$141,025 9,674 152,416 38.7%	\$100,949 7,094 109,876 28.1%	\$79,393 5,843 85,749 25.6%	\$65,563 2,291 68,285 17.7%	\$55,600 1,851 57,992 18.7%	\$46,783 1,623 48,840 11.3%
\$ 30,523 113,458	\$ 21,190 81,516	\$16,228 63,428	\$ 8,316 54,085	\$ 6,521 45,740	\$ 5,651 38,281

BOARD OF DIRECTORS / SENIOR OFFICER

Left to right, front row: R. T. Hammer, A. E. Hayes, Miss P. E. Helms, S. S. Jacobson, G. C. Piercey, and R. G. Buell; Back row: Hector McInnes, B. H. Black, L. R. Shaw, G. R. Guy, A. R. Harrington, and R. C. Cluett.



Board of Directors Management

G. Ross Guy, M.C.

Business Executive

A. Russell Harrington, B.E., D.Eng., D.C.L.

Business Executive

Austin E. Hayes, B.Com.

President, Hayes Insurance Limited

Samuel S. Jacobson, B.Com., M.B.A. (Harv.)

Business Executive

Hector McInnes, B.A., LL.B., LL.M., Q.C.

*Partner; McInnes, Cooper & Robertson
(Barristers and Solicitors)*

George C. Piercey, C.M.M., Q.C.

*Chairman of the Board, President and Chief
Executive Officer, Nova Scotia Savings & Loan
Company*

Lloyd R. Shaw, B.A., M.A.

Chairman of the Board, L. E. Shaw Limited

SENIOR OFFICERS

George C. Piercey, C.M.M., Q.C.

*Chairman of the Board, President and Chief
Executive Officer*

Samuel S. Jacobson, B.Com., M.B.A. (Harv.)

Vice-President

Robert T. Hammer, R.I.A.

General Manager

Reuben C. Cluett, R.I.A.

Treasurer and Controller

Russell G. Buell

Supervisor Personnel and Administration

Barrie H. Black, B.A., LL.B., LL.M.

Supervisor Mortgages and Securities

Pauline E. Helms

Secretary

HEAD OFFICE DEPARTMENTS

Robert D. Brownrigg

Mortgage Manager

Margaret E. McCoombs

Securities Manager

David R. Canning

Credit Manager

Donald A. Folks

Data Processing Manager

Bankers

The Bank of Nova Scotia
The Royal Bank of Canada

BRANCH MANAGERS

E. Neil Black

Dartmouth

Grant R. Warwick

Halifax

Alan F. Henderson

New Glasgow

Richard B. Pitts

Saint John

Roland H. Brewer

Spryfield

Office Directory

HEAD OFFICE:

1,1th Floor, Centennial Building
1645 Granville Street
P.O. Box 670
Halifax, Nova Scotia
B3J 2T3
Phone: 423-1181

BRANCHES:

Centennial Building
(Granville Street level)
1645 Granville Street
P.O. Box 670
Halifax, Nova Scotia
B3J 2T3
Phone: 423-1181

50 Portland Street
P.O. Box 724
Dartmouth, Nova Scotia
B2Y 3Z3
Phone: 463-4666

18 King Street
P.O. Box 1029
Saint John, New Brunswick
E2L 4E3
Phone: 652-1820

133 Provost Street
P.O. Box 116
New Glasgow, Nova Scotia
B2H 5E1
Phone: 755-2010

337 Herring Cove Road
P.O. Box 1115 Armdale
Halifax, Nova Scotia
B3L 4L5
Phone: 477-8005



Federally Incorporated & Supervised  Member: Canada Deposit Insurance Corporation

Listed on The Toronto Stock Exchange & Montreal Stock Exchange

AR17

LOCATION OF HEAD OFFICE AND BRANCHES OF THE COMPANY

HEAD OFFICE:

11th Floor, Centennial Building
1645 Granville Street
P.O. Box 670
Halifax, Nova Scotia
B3J 2T3
Phone: 423-1181

BRANCHES:

Centennial Building
(Granville Street level)
1645 Granville Street
P.O. Box 670
Halifax, Nova Scotia
B3J 2T3
Phone: 423-1181

50 Portland Street
P.O. Box 724
Dartmouth, Nova Scotia
B2Y 3Z3
Phone: 463-4666

18 King Street
P.O. Box 1029
Saint John, New Brunswick
E2L 4E3
Phone: 652-1820

113 Archimedes Street
P.O. Box 116
New Glasgow, Nova Scotia
B2H 5E1
Phone: 755-2010

337 Herring Cove Road
P.O. Box 1115
Spryfield, Halifax, Nova Scotia
B3L 4L5
Phone: 477-8005

Member Canada Deposit Insurance
Corporation

Stock Listed On
The Toronto Stock Exchange
and
Montreal Stock Exchange



NOVA SCOTIA SAVINGS & LOAN COMPANY

Report for Six Months Ended June 30, 1976
(Unaudited)

To our Shareholders:

The unaudited figures for the first six months of 1976, and the figures for the comparable period in 1975, are shown herein. In May, 1976, the Company reached another milestone in its growth when total assets passed the \$300,000,000 mark. During the second quarter new mortgage business improved substantially and approved mortgage loans not yet advanced reached the total of \$17,854,000 which was \$5,953,000 ahead of the previous year.

Revenues increased by 10.6% to \$15,436,484. This was below forecast as mortgage advances did not keep pace with debenture and deposit funds received. However, the Company's strong liquid position will enable it to fulfill the mortgage demand which has accelerated in recent months for new housing construction.

Expenses during the six months period were \$14,035,956, an increase of 19% over the previous year. The increase was mainly due to higher costs of borrowed funds required to meet the mortgage demand, to direct losses of \$261,649 incurred on properties foreclosed, and the sum of \$130,000 added to the reserve account. This reserve now stands at \$275,000.

After tax profit for the six months period was \$801,915, compared to \$1,122,729 the previous year. Net earnings, after payment of dividends on preferred shares was \$0.68 per common share, compared to \$1.18 per share on June 30, 1975.

The Company is pressing ahead with inquiries into alleged acts of fraud in connection with the procurement of mortgages in New Brunswick. The extent of possible losses to the Company arising out of these transactions has not been ascertained, as an actual loss cannot be determined until after foreclosure and sale. Information available at the present time indicates potential gross losses of approximately \$1,300,000, which is less than one-half of 1% of the Company's mortgage portfolio. It is the policy of the Company to initiate legal proceedings for the amount of the deficiency following foreclosure whenever this is feasible. The Company has also retained legal counsel to process claims under its insurance protection against losses arising out of fraudulent acts. In the opinion of counsel these losses are covered to a very substantial extent by the insurance in force.

On behalf of the Board

Halifax, Nova Scotia
July 20, 1976

President and Chief
Executive Officer

NOVA SCOTIA SAVINGS & LOAN COMPANY

Six Months Ended June 30, 1976

(Unaudited)

	1976	1975	% Increase (Decrease)
Income	\$ 15,436,484	\$ 13,963,723	10.6
Expense	14,035,956	11,799,735	19.0
Operating income before income taxes	1,400,528	2,163,988	(35.3)
Income taxes - current	587,315	887,285	
- deferred	11,764	150,982	
	599,079	1,038,267	
Operating income before securities gains (losses)	801,449	1,125,721	(28.8)
Securities gains (losses), less related income taxes	466	(2,992)	
Net income after securities gains (losses)	801,915	1,122,729	(28.6)
Dividends declared on preferred shares	153,752	—	
*Per common share before securities gains (losses)	\$.68	\$ 1.18	
Securities gains (losses)	—	—	
*Per common share after securities gains(losses)	\$.68	\$ 1.18	
Dividends declared on common shares	476,159	476,159	
Per share	\$.50	\$.50	
Assets	\$302,489,129	\$277,629,247	9.0
Mortgages	272,118,237	252,851,511	7.6
Debentures and deposits	285,619,180	262,726,018	8.7
Net increase in assets since December 31	\$ 15,333,317	\$ 21,947,039	
Net increase in mortgage investments since December 31	8,581,971	17,913,605	
Net increase in debentures and deposits since December 31	16,578,839	20,477,546	

*Note: Earnings per common share are calculated on earnings after payment of dividends on preferred shares.